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have been established, joint trunk testing is completed and trunks have been mutually accepted by the Parties.

- 1.2.6 "Main Distribution Frame" (MDF) is termination frame for outside facility and inter-exchange office equipment at the central office for DS-0 and DSL services.
- 1.2.7 "Plain Old Telephone Service" (POTS) means telephone service for the transmission of human speech.
- 1.2.8 "Routing Point" is a location which a LEC has designated on its own network as the homing or routing point for traffic inbound to Exchange Service provided by the LEC which bears a certain NPA-NXX designation. The Routing Point is employed to calculate mileage measurements for the distance-sensitive transport element charges of Switched Access services. The Routing Point need not be the same as the Rating Point, nor must it be located within the Rate Center area, but must be in the same LATA as the NPA-NXX.

1.3 DEFINITIONS APPLICABLE TO SBC-8STATE ONLY

- 1.3.1 "Accessible Letters" are correspondence used to communicate pertinent information regarding <u>SBC-13STATE</u> to the client/End User community.
- 1.3.2 "Trunk-Side" refers to a Central Office Switch connection that is capable of, and has been programmed to treat the circuit as connecting to another switching entity (for example another Central Office switch). Trunk-Side connections offer those transmission and signaling features appropriate for the connection of switching entities and cannot be used for the direct connection of ordinary telephone station sets.

"Port" is the point of interface/access connection to the <u>SNET</u> public switched network. This may be a switch line side interface or switch trunk side interface.

1.4 DEFINITIONS APPLICABLE TO SBC-7STATE ONLY

1.4.1 "Line Side" refers to End Office switch connections that have been programmed to treat the circuit as a local line connected to a terminating station (e.g., an ordinary subscriber's telephone station set, a PBX, answering machine, facsimile machine or computer). Line Side connections offer only those transmission and signal features appropriate for a connection between an End Office and such terminating station.

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- 1.4.2 "Mid-Point Meet" is as defined in the appropriate Appendix NIM. The facility hand off point may differ from the billing point of interconnection.
- 1.4.3 "Serving Wire Center" (SWC) means a Wire Center that serves the area in which the other Party's or a third party's Wire Center, aggregation point, point of termination, or point of presence is located.
- 1.4.4 "Control Office" means the appropriate exchange carrier center or office designated as its company's single point of contact for the provisioning and maintenance of its portion of interconnection arrangements.
- 1.4.5 "Data Interexchange Carrier" (DIXC) is a process designed to facilitate the reciprocal exchange of voice traffic load data between the <u>SBC-7STATE</u> and CLECs interconnecting with its network. This reciprocal exchange of data enables <u>SBC-7STATE</u> and each CLEC to have a complete view of traffic loads on both ends of two-way trunk groups. The knowledge of call attempt and overflow data counts on both ends of a two-way trunk group enables each company to more accurately estimate the offered, and thereby better estimate, the required quantities of trunks.
- 1.4.6 "Local Interconnection Trunks/Trunk Groups" are used for the termination of Local Exchange Traffic, pursuant to Telcordia Technical Reference GR-317-CORE "GR-317.
- 1.4.7 "Mid-Span Meet" is an interconnection between two LECs whereby each provides its own cable and equipment up to the meet point of the cable facilities. The meet point is the demarcation establishing ownership of and responsibility for each LEC's portion of the transmission facility.

1.5 DEFINITIONS APPLICABLE TO SNET and SBC-AMERITECH ONLY

- 1.5.1 "Centralized AMA" (CAMA) is an arrangement where the AMA equipment is centralized in, for example, a Tandem and is used by offices that do not have LAMA (Local AMA). The End Office Switch must send ANI digits to the CAMA office for billing a calling subscriber.
- 1.5.2 "Inter-wire Center Transport" means the transmission facilities between serving wire centers.

1.6 DEFINITIONS APPLICABLE TO SBC-AMERITECH ONLY

1.6.1 "Automatic Route Selection" or "ARS" means a service feature associated with a specific grouping of lines that provides for automatic selection of the least expensive or most appropriate transmission facility for each call based on criteria programmed into the system.

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- 1.6.2 "Control Office" means the Central Office providing Tandem Switching Capability for E9-1-1 calls. The Control Office controls switching of ANI information to the PSAP and also provides the Selective Routing feature, standard speed calling features, call transfer capability and certain maintenance functions for each PSAP.
- 1.6.3 "Enhanced LECLink" is a customer access service to the national distribution of billing records via Telcordia's Centralized Message Distribution System (CMDS).
- 1.6.4 "Integrated Digital Loop Carrier" means a subscriber loop carrier system that is twenty-four (24) local Loop transmission paths combined into a 1.544 Mbps digital signal which integrates within the switch at a DS1 level.
- 1.6.5 "Line Side" refers to the switch port toward the CLEC's side of the equipment.
- 1.6.6 "Local Loop Transmission", "Unbundled Local Loop", "Loop" means the transmission path which extends from the Network Interface Device or demarcation point at an End User's premise to the Main Distribution Frame or other designated frame or panel in the <u>SBC-AMERITECH</u> Serving Wire Center.
- 1.6.7 "Switched Exchange Access Service" means the offering of transmission or switching cervices to Telecommunications Carriers for the purpose of the origination or termination of telephone toll service. Switched Exchange Access Services include: Feature Group A, Feature Group B, Feature Group D, 800/888 access, and 900 access and their successors or similar Switched Exchange Access Services.

1.7 DEFINITIONS APPLICABLE TO **SNET** ONLY

- 1.7.1 "800 Series" is a Telecommunications Service for business or residence that allows calls to be made to a specific location at no charge to the calling party. Use of the "800" Service Access Code (e.g., 800, 888) denotes calls that are to be billed to the receiving party. A computer database in the provider's network translates the 800 series number into a conventional 7 or 10 digit phone number for network switching and routing.
- 1.7.2 "Charge Number" is a CCS signaling parameter that refers to the number transmitted through the network identifying the billing number of the calling party.
- 1.7.3 "ConnNET" is a CT packet switching network used for data communication to and from hosts and databases.

- 1.7.4 "Database Administrative Service LIDB Operating Guidelines"

 (Operating Guidelines) means the document developed by <u>SNET</u> that provides detailed instructions as to the working parameters of <u>SNET</u>'s provision of the LIDB Administrative System to CLEC, as may be updated by <u>SNET</u> from time to time. <u>SNET</u> shall provide such Operating Guidelines to CLEC upon execution of this Agreement.
- 1.7.5 "Initial Billing Company" (IBC) refers to the LEC that provides Feature Group B or D services at an End Office.
- 1.7.6 "LIDB/AS" means the LIDB administrative system for **SNET**.
- 1.7.7 "Loop" is a transmission path between the Minimum Point of Presence/Entry (MPOP/E) at any End User location and the Main Distribution Frame (MDF) or Digital Crossconnect Bay (DSX-1) of the <u>SNET</u> designated serving wire centers.
- 1.7.8 "Subsequent Billing Company" refers to SNET when it provides a segment of transport or switching services in connection with Feature Group B or D switched access service. (For purposes of this Agreement, the Tandem operator is the Subsequent Billing Company.).
- 1.7.9 "Switched Access Service" means an offering of facilities for the purpose of the origination or termination of traffic from or to Exchange Service customer in a given area pursuant to a Switched Access tariff. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, 800 Series, and 900 access. Switched Access does not include traffic exchanged between LECs for purpose of local exchange interconnection.
- 1.7.10 "Universal Digital Loop Carrier" (UDLC) describes a DLC system that has a Central Office terminal channel bank that is connected to the CO switches on the analog side.

1.8 DEFINITIONS APPLICABLE TO SBC-SWBT only

- 1.8.1 "Jurisdictional Identification Parameter" (JIP) is an existing six (6) digit (NPA-NXX) field in the SS7 message. This field designates the first point of switching. (JIP is applicable to <u>SBC-SWBT</u> only).
- 1.8.2 "Line Validation Administration System" (LVAS) means the LIDB administrative system for <u>SBC-SWBT</u>.
- 1.8.3 "Originating Line Information" (OLI) is an SS7 Feature Group D signaling parameter which refers to the number transmitted through the network identifying the billing number of the calling Party. (OLI is applicable to SBC-SWBT only.).

2. INTERPRETATION, CONSTRUCTION AND SEVERABILITY

2.1 <u>Definitions</u>

2.1.1 For purposes of this Agreement, certain terms have been defined in this Agreement to encompass meanings that may differ from, or be in addition to. the normal connotation of the defined word. Unless the context clearly indicates otherwise, any term defined or used in the singular will include the plural. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include." "includes" and "including" shall be deemed to be followed by the phrase "without limitation" and/or "but not limited to". The words "will" and "shall" are used interchangeably throughout this Agreement and the use of either connotes a mandatory requirement. The use of one or the other will not mean a different degree of right or obligation for either Party. A defined word intended to convey its special meaning is capitalized when used. Other terms that are capitalized and not defined in this Agreement will have the meaning in the Act, or in the absence of their inclusion in the Act, their customary usage in the Telecommunications industry as of the Effective Date.

2.2 Headings Not Controlling

- 2.2.1 The headings and numbering of Sections, Parts, Appendices Schedules and Exhibits to this Agreement are for convenience only and shall not be construed to define or limit any of the terms herein or affect the meaning or interpretation of this Agreement.
- 2.2.2 This Agreement incorporates a number of Appendices which, together with their associated Attachments, Exhibits, Schedules and Addenda, constitute the entire Agreement between the Parties. In order to facilitate use and comprehension of the Agreement, the Appendices have been grouped under broad headings. It is understood that these groupings are for convenience of reference only, and are not intended to limit the applicability that any particular appendix, attachment, exhibit, schedule or addenda may otherwise have.

2.3 Referenced Documents

2.3.1 Unless the context shall otherwise specifically require, and subject to Section 21, whenever any provision of this Agreement refers to a technical reference, technical publication, CLEC Practice, SBC-13STATE Practice, any publication of telecommunications industry administrative or technical standards, or any other document specifically incorporated into this Agreement (collectively, a "Referenced Instrument"), it will be deemed to be a reference to the then-current version or edition (including any

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amendments, supplements, addenda, or successors) of each Referenced Instrument that is in effect, and will include the then-current version or edition (including any amendments, supplements, addenda, or successors) of any other Referenced Instrument incorporated by reference therein.

2.4 References

References herein to Sections, Paragraphs, Exhibits, Parts, Schedules, and Appendices shall be deemed to be references to Sections, Paragraphs and Parts of, and Exhibits, Schedules and Appendices to, this Agreement unless the context shall otherwise require.

2.5 Tariff References

- Wherever any Commission ordered tariff provision or rate is cited or quoted herein, it is understood that said cite encompasses any revisions or modifications to said tariff.
- Wherever any Commission ordered tariff provision or rate is incorporated, cited or quoted herein, it is understood that said incorporation or reference applies only to the entity within the state whose Commission ordered that tariff.
- Wherever the term "customer" is used in connection with SBC-SWBT's retail tariffs, the term "customer" means the ultimate "consumer" or the "end user" of any tariffed service.

2.6 Conflict in Provisions

- In the event of a conflict between the provisions of this Agreement and the Act, the provisions of the Act shall govern.
- 2.6.2 If any definitions, terms or conditions in any given Appendix, Attachment, Exhibit, Schedule or Addenda differ from those contained in the main body of this Agreement, those definitions, terms or conditions will supersede those contained in the main body of this Agreement, but only in regard to the services or activities listed in that particular Appendix, Attachment, Exhibit, Schedule or Addenda. In particular, if an Appendix contains a Term length that differs from the Term length in the main body of this Agreement, the Term length of that Appendix will control the length of time that services or activities are to occur under that Appendix, but will not affect the Term length of the remainder of this Agreement.
- 2.6.3 In SNET only, in the event of a conflict between any provision in this Agreement and any provision in the DPUC-ordered tariffs covering the

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services that are the subject of this Agreement with <u>SNET</u>, such DPUC-ordered tariffs will prevail.

2.7 Joint Work Product

2.7.1 This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

2.8 Severability

2.8.1 If any provision of this Agreement is rejected or held to be illegal, invalid or unenforceable, each Party agrees that such provision shall be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby. If necessary to effect the intent of the Parties, the Parties shall negotiate in good faith to amend this Agreement to replace the unenforceable language with enforceable language that reflects such intent as closely as possible. The Parties negotiated the terms and conditions of this Agreement for Interconnection, services and Network Elements as a total arrangement and it is intended to be nonseverable.

2.9 Incorporation by Reference

The General Terms and Conditions of this Agreement, and every Interconnection, Resale Service Network Element, function, facility, product or service provided hereunder, shall be subject to all rates, terms and conditions contained in the Appendices to this Agreement which are legitimately related to such Interconnection, Resale Service, Network Element, function, facility, product or service; and all such rates, terms and conditions are incorporated by reference herein and deemed a part of every Interconnection, Resale Service, Network Element, function, facility, product or service provided hereunder. Without limiting the general applicability of the foregoing, the following terms and conditions of the General Terms and Conditions are specifically agreed by the Parties to be legitimately related to, and to be applicable to, each Interconnection, Resale Service, Network Element, function, facility, product or service provided hereunder: definitions; interpretation, construction and severability; notice of changes; general responsibilities of the Parties; effective date, term and termination; fraud; assurance of payment; billing and payment of charges; non-payment and procedures for disconnection; dispute resolution; audits; disclaimer of representations and warranties; limitation of liability; indemnity; remedies; intellectual property; publicity and use of trademarks and service marks; no license; confidentiality; intervening law; governing law; regulatory approval; changes in End User local exchange service provider selection; compliance and certification; law enforcement; relationship of the Parties/independent contractor; no third Party beneficiaries, disclaimer of agency; assignment; subcontracting; hazardous substances and responsibility for environmental contamination; force majeure; taxes; non-waiver; network maintenance and management; customer inquiries; expenses; conflict of interest; survival; scope of agreement; amendments and modifications; and entire agreement.

2.10 Non-Voluntary Provisions

- 2.10.1 This Agreement incorporates certain rates, terms and conditions that were not voluntarily negotiated by **SBC-13STATE**, but instead resulted from determinations made in arbitrations under Section 252 of the Act or from other requirements of regulatory agencies or state law (individually and collectively, a "Non-Voluntary Arrangement"). SBC-13STATE has identified some, but not all, of the Non-Voluntary Arrangements contained in this Agreement, by designating such provisions with asterisks. If any Non-Voluntary Arrangement is modified as a result of any order or finding by the FCC, the appropriate Commission or a court of competent jurisdiction, any Party may, by providing written notice to the other Party, require that any affected Non-Voluntary Arrangement (and any related rates, terms and conditions) be deleted or renegotiated, as applicable, in good faith and this Agreement amended accordingly. If such modifications to this Agreement are not executed within sixty (60) calendar days after the date of such notice, a Party may pursue its rights under Section 10.
- 2.10.2 The Parties acknowledge that the Non-Voluntary Arrangements contained in this Agreement shall not be available in any state other than the state that originally imposed/required such Non-Voluntary Arrangement. By way of example only, the Parties acknowledge that the PUC-OH's imposition in Ohio of the Minimum Telephone Service Standards (and all terms and conditions relating thereto) shall not apply in or be "portable to" any state other than Ohio.

2.11 State-Specific Rates, Terms and Conditions

2.11.1 For ease of administration, this multistate Agreement contains certain specified rates, terms and conditions which apply only in a designated state ("state-specific terms"). To the extent that this Agreement contains specified rates, terms and conditions which apply only in a given state, such rates, terms and conditions shall not apply and shall have no effect in any other state(s) to which this Agreement is submitted for approval under Section 252(e) of the Act.

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- 2.11.2 State-specific terms, as the phrase is described in Section 2.11.1 above, have been negotiated (or in the case of 2.10.2 above, included in the agreement per state requirement) by the Parties only as to the states where this Agreement has been executed, filed and approved. When the Parties negotiate an agreement for an additional state, neither Party shall be precluded by any language in this Agreement from negotiating state-specific terms for the state in which are to apply.
- 2.11.3 Successor Rates. Certain of the rates, prices and charges set forth in the applicable Appendix Pricing have been established by the appropriate Commissions in cost proceedings or dockets initiated under or pursuant to the Act. If during the Term that Commission or the FCC changes a rate, price or charge in an order or docket that applies to any of the Interconnection, Resale Services, Network Elements, functions, facilities, products and services available hereunder, the Parties agree to amend this Agreement to incorporate such new rates, prices and charges, with such rates, prices and charges to be effective as of the date specified in such order or docket (including giving effect to any retroactive application, if so ordered). If either Party refuses to execute an amendment to this Agreement within sixty (60) calendar days after the date of such order or docket, the other Party may pursue its rights under Section 10.

2.12 Scope of Obligations

- 2.12.1 Notwithstanding anything to the contrary contained herein, **SBC-13STATE**'s obligations under this Agreement shall apply only to:
 - 2.12.1.1 the specific operating area(s) or portion thereof in which <u>SBC-13</u>

 <u>STATE</u> is then deemed to be the ILEC under the Act (the "ILEC Territory"), and
 - 2.12.1.2 assets that <u>SBC-13STATE</u> owns or leases and which are used in connection with <u>SBC-13STATE</u>'s provision to CLEC of any Interconnection, Resale Services, Network Elements, functions, facilities, products or services provided or contemplated under this Agreement, the Act or any tariff or ancillary agreement referenced herein (individually and collectively, the "ILEC Assets").

2.13 Affiliates

2.13.1 These General Terms and Conditions and all attachments and Appendices hereto (this Agreement), including subsequent amendments, if any, shall bind SBC-13STATE, CLEC and any entity that currently or subsequently is owned or controlled by or under common ownership or control with CLEC. CLEC further agrees that the same or substantially the same terms and

conditions shall be incorporated into any separate agreement between <u>SBC-13STATE</u> and any such CLEC Affiliate that continues to operate as a separate entity. This Agreement shall remain effective as to CLEC and any such CLEC Affiliate for the term of this Agreement as stated herein until either <u>SBC-13STATE</u> or CLEC or any such CLEC Affiliate institutes renegotiation consistent with the provisions of this Agreement for renewal and term. Notwithstanding the foregoing, this Agreement will not supercede a currently effective interconnection agreement between any such CLEC Affiliate and <u>SBC-13STATE</u> until the expiration of such other agreement.

3. NOTICE OF CHANGES - SECTION 251(c)(5)

3.1 Nothing in this Agreement shall limit either Party's ability to upgrade its network through the incorporation of new equipment, new software or otherwise. Each Party agrees to comply with the Network Disclosure rules adopted by the FCC in CC Docket No. 96-98, Second Report and Order, codified at 47 C.F.R. 51.325 through 51.335, as such rules may be amended from time to time (the "Network Disclosure Rules").

4. GENERAL RESPONSIBILITIES OF THE PARTIES

- 4.1 Upon approval by the Commission, CLEC agrees to begin providing Telephone Exchange Service within its certificated service area to business End Users within _____ calendar days and to residential End Users within _____ calendar days.
- 4.2 <u>SBC-12STATE</u> and CLEC shall each use their best efforts to meet the Interconnection Activation Dates.
- 4.3 Each Party is individually responsible to provide facilities within its network that are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in the standard format compatible with SBC-13STATE's network as referenced in Telcordia BOC Notes on LEC Networks Practice No. SR-TSV-002275, and to terminate the traffic it receives in that standard format to the proper address on its network. The Parties are each solely responsible for participation in and compliance with national network plans, including the National Network Security Plan and the Emergency Preparedness Plan.
- 4.4 The Parties shall exchange technical descriptions and forecasts of their Interconnection and traffic requirements in sufficient detail necessary to establish the Interconnections required to assure traffic completion to and from all End Users in their respective designated service areas.
- 4.5 Each Party is solely responsible for all products and services it provides to its End Users and to other Telecommunications Carriers.

- 4.6 Facilities-based carriers and UNE-based Switch Port providers are responsible for administering their End User records in a LIDB.
 - 4.6.1 <u>PACIFIC</u> reserves the right on one hundred eighty (180) calendar days notice to require UNE-Based Switch Port providers to administer their End User records in <u>PACIFIC</u>'s LIDB.
 - 4.6.2 <u>NEVADA</u> does not have a line information database and/or Calling Name database. Line Information Database services can be purchased from **PACIFIC**.
- 4.7 At all times during the term of this Agreement, each Party shall keep and maintain in force at its own expense the following minimum insurance coverage and limits and any additional insurance and/or bonds required by Applicable Law:
 - 4.7.1 Workers' Compensation insurance with benefits afforded under the laws of each state covered by this Agreement and Employers Liability insurance with minimum limits of \$100,000 for Bodily Injury-each accident, \$500,000 for Bodily Injury by disease-policy limits and \$100,000 for Bodily Injury by disease-each employee.
 - 4.7.2 Commercial General Liability insurance with minimum limits of: \$10,000,000 General Aggregate limit; \$5,000,000 each occurrence sub-limit for all bodily injury or property damage incurred in any one occurrence; \$1,000,000 each occurrence sub-limit for Personal Injury and Advertising; \$10,000,000 Products/Completed Operations Aggregate limit, with a \$5,000,000 each occurrence sub-limit for Products/Completed Operations. Fire Legal Liability sub-limits of \$2,000,000 are also required if this Agreement involves collocation. The other Party must be named as an Additional Insured on the Commercial General Liability policy.
 - 4.7.3 If use of an automobile is required, Automobile Liability insurance with minimum limits of \$1,000,000 combined single limits per occurrence for bodily injury and property damage, which coverage shall extend to all owned, hired and non-owned vehicles.
 - 4.7.4 Each Party shall require subcontractors providing services under this Agreement to maintain in force the insurance coverage and limits required in Sections 4.7 through 4.7.3 of this Agreement.
 - 4.7.5 The Parties agree that companies affording the insurance coverage required under Section 4.7 shall have a rating of B+ or better and a Financial Size Category rating of VII or better, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies. Upon request from the

other Party, each Party shall provide to the other Party evidence of such insurance coverage.

- 4.7.6 Each Party agrees to provide the other Party with at least thirty (30) calendar days advance written notice of cancellation, material reduction or nonrenewal of any of the insurance policies required herein.
- 4.7.7 Each Party agrees to accept the other Party's program of self-insurance in lieu of insurance coverage if certain requirements are met. These requirements are as follows:
 - 4.7.7.1 The Party desiring to satisfy its Workers' Compensation and Employers Liability obligations through self-insurance shall submit to the other Party a copy of its Certificate of Authority to Self-Insure its Workers' Compensation obligations issued by each state covered by this Agreement or the employer's state of hire; and
 - 4.7.7.2 The Party desiring to satisfy its automobile liability obligations through self-insurance shall submit to the other Party a copy of the state-issued letter approving self-insurance for automobile liability issued by each state covered by this Agreement; and
 - 4.7.7.3 The Party desiring to satisfy its general liability obligations through self-insurance must provide evidence acceptable to the other Party that it maintains at least an investment grade (e.g., B+ or higher) debt or credit rating as determined by a nationally recognized debt or credit rating agency such as Moody's, Standard and Poor's or Duff and Phelps.
- 4.7.8 This Section 4.7 is a general statement of insurance requirements and shall be in addition to any specific requirement of insurance referenced elsewhere in this Agreement or a Referenced Instrument.
- 4.8 Upon CLEC signature of this Agreement, CLEC shall provide <u>SBC-13STATE</u> with CLEC's state-specific authorized and nationally recognized OCN/AECNs for facilities-based (Interconnection and/or unbundled Network Elements) and a separate and distinct OCN/AECN for Resale Services.
- 4.9 In the event that CLEC makes any corporate name change (including addition or deletion of a d/b/a), change in OCN/AECN, or makes or accepts a transfer or assignment of interconnection trunks or facilities (including leased facilities), or a change in any other CLEC identifier (collectively, a "CLEC Change"), CLEC shall submit written notice to <u>SBC-13STATE</u> within thirty (30) calendar days of the first action taken to implement such CLEC Change. A CLEC may make one (1) CLEC Change in any twelve (12) month period without charge by <u>SBC-13STATE</u> for

updating its databases, systems, and records solely to reflect such CLEC Change. In the event of any other CLEC Change, SBC-13STATE reserves the right to seek recovery of the costs associated with updating the applicable <u>SBC-13STATE</u> databases, systems, and records to reflect the CLEC Change. Notwithstanding the above, for each CLEC Change the CLEC shall pay any applicable charges associated with recording and otherwise updating any CLEC branding or announcement(s), and any applicable charges associated with any service orders or requests submitted to <u>SBC-13STATE</u> to make the CLEC Change.

- 4.10 When a End User changes its service provider from <u>SBC-13STATE</u> to CLEC or from CLEC to <u>SBC-13STATE</u> and does not retain its original telephone number, the Party formerly providing service to such End User shall furnish a referral announcement ("Referral Announcement") on the original telephone number that specifies the End User's new telephone number.
 - 4.10.1 The following pertains to AM-IL, AM-WI and PACIFIC only:
 - 4.10.1.1 Referral Announcements shall be provided by a Party to the other Party for the period of time and at the rates set forth in the referring Party's tariff(s); provided, however, if either Party provides Referral Announcements for a period different (either shorter or longer) than the period(s) stated in its tariff(s) when its End Users change their telephone numbers, such Party shall provide the same level of service to End Users of the other Party.
 - 4.10.2 The following applies to AM-IN only:
 - 4.10.2.1 Referral Announcements shall be provided by a Party to the other Party for the period specified in 170 IAC 7-1.1-11(I)(3)(a) and (b) and at the rates set forth in the referring Party's tariff(s). However, if either Party provides Referral Announcements for a period different than the above period(s) when its End Users change their telephone numbers, such Party shall provide the same level of service to End Users of the other Party.
 - 4.10.3 The following applies to AM-MI only:
 - 4.10.3.1 Referral Announcements shall be provided by a Party to the other Party for the period specified in Michigan Administrative Rule 484.134 and at the rates set forth in the referring Party's tariff(s). However, if either Party provides Referral Announcements for a period longer than the above period(s) when its End Users change their telephone numbers, such Party shall provide the same level of service to End Users of the other Party.

4.10.4 The following applies to AM-OH only:

- 4.10.4.1 Referral Announcements shall be provided by a Party to the other Party for the period of time specified in Rule 4901:1-5-12, Ohio Administrative Code and at the rates set forth in the referring Party's tariff(s). However, if either Party provides Referral Announcements for a period longer than the above period(s) when its End Users change their telephone numbers, such Party shall provide the same level of service to End Users of the other Party.
- 4.11 Each Party shall be responsible for labor relations with its own employees. Each Party agrees to notify the other Party as soon as practicable whenever such Party has knowledge that a labor dispute concerning its employees is delaying or threatens to delay such Party's timely performance of its obligations under this Agreement and shall endeavor to minimize impairment of service to the other Party (for example, by using its management personnel to perform work or by other means) in the event of a labor dispute to the extent permitted by Applicable Law.
- 4.12 Each Party shall act in good faith in its performance under this Agreement and, in each case in which a Party's consent or agreement is required or requested hereunder, such Party shall not unreasonably withhold or delay such consent or agreement.

5. EFFECTIVE DATE, TERM, AND TERMINATION

- 5.1 In <u>SBC-13STATE</u>, with the exception of <u>AM-OH</u>, the Effective Date of this Agreement shall be ten (10) calendar days after the Commission approves this Agreement under Section 252(e) of the Act or, absent such Commission approval, the date this Agreement is deemed approved under Section 252(e)(4) of the Act. In <u>AM-OH</u>, based on the PUC-OH, the Agreement is Effective upon filing and is deemed approved by operation of law on the 91st day after filing.
- 5.2 The term of this Agreement shall commence upon the Effective Date of this Agreement and shall expire on September 29, 2003 (the "Term"). Absent the receipt by one Party of written notice from the other Party within 180 calendar days prior to the expiration of the Term to the effect that such Party does not intend to extend the Term, this Agreement shall remain in full force and effect on and after the expiration of the Term until terminated by either Party pursuant to Section 5.3 or 5.4.
- 5.3 Notwithstanding any other provision of this Agreement, either Party may terminate this Agreement and the provision of any Interconnection, Resale Services, Network Elements, functions, facilities, products or services provided pursuant to this Agreement, at the sole discretion of the terminating Party, in the event that the other Party fails to perform a material obligation or breaches a material term of this Agreement and the other Party fails to cure such nonperformance or breach within forty-five (45) calendar days after written notice thereof. Any termination of this

Agreement pursuant to this Section 5.3 shall take effect immediately upon delivery of written notice to the other Party that it failed to cure such nonperformance or breach within forty-five (45) calendar days after written notice thereof.

- 5.4 If pursuant to Section 5.2, this Agreement continues in full force and effect after the expiration of the Term, either Party may terminate this Agreement after delivering written notice to the other Party of its intention to terminate this Agreement, subject to Sections 5.5 and 5.6. Neither Party shall have any liability to the other Party for termination of this Agreement pursuant to this Section 5.4 other than its obligations under Sections 5.5 and 5.6.
- 5.5 Upon termination or expiration of this Agreement in accordance with Sections 5.2, 5.3 or 5.4:
 - 5.5.1 Each Party shall continue to comply with its obligations set forth in Section 42; and
 - 5.5.2 Each Party shall promptly pay all amounts owed under this Agreement or place any Disputed Amounts into an escrow account that complies with Section 8.4 hereof;
 - 5.5.3 Each Party's confidentiality obligations shall survive; and
 - 5.5.4 Each Party's indemnification obligations shall survive.
- If either Party serves notice of expiration pursuant to Section 5.2 or Section 5.4, CLEC shall have ten (10) calendar days to provide <u>SBC-13STATE</u> written confirmation if CLEC wishes to pursue a successor agreement with <u>SBC-13STATE</u> or terminate its agreement. CLEC shall identify the action to be taken on each applicable (13) state(s). If CLEC wishes to pursue a successor agreement with <u>SBC-13STATE</u>, CLEC shall attach to its written confirmation or notice of expiration/termination, as applicable, a written request to commence negotiations with <u>SBC-13STATE</u> under Sections 251/252 of the Act and identify each of the state(s) the successor agreement will cover. Upon receipt of CLEC's Section 252(a)(1) request, the Parties shall commence good faith negotiations on a successor agreement.
- 5.7 The rates, terms and conditions of this Agreement shall continue in full force and effect until the earlier of (i) the effective date of its successor agreement, whether such successor agreement is established via negotiation, arbitration or pursuant to Section 252(i) of the Act; or (ii) the date that is ten (10) months after the date on which SBC-13STATE received CLEC's Section 252(a)(1) request; provided, however, when a successor agreement becomes effective, the terms, rates and charges of such successor Agreement shall apply retroactively back to the date this Agreement is terminated or expires, whichever is later, and that the retro-active true-

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up shall be completed within ninety (90) calendar days following the effective date of such successor Agreement.

- 5.8 If at any time during the Section 252(a)(1) negotiation process (prior to or after the expiration date or termination date of this Agreement), CLEC withdraws its Section 252(a)(1) request, CLEC must include in its notice of withdrawal a request to adopt a successor agreement under Section 252(i) of the Act or affirmatively state that CLEC does not wish to pursue a successor agreement with SBC-13STATE for a given state. The rates, terms and conditions of this Agreement shall continue in full force and effect until the later of: 1) the expiration of the term of this Agreement, or 2) the expiration of ninety (90) calendar days after the date CLEC provides notice of withdrawal of its Section 252(a)(1) request. If the Term of this Agreement has expired, on the earlier of (i) the ninety-first (91st) calendar day following SBC-13STATE's receipt of CLEC's notice of withdrawal of its Section 252(a)(1) request or (ii) the effective date of the agreement following approval by the Commission of the adoption of an agreement under 252(i), the Parties shall, have no further obligations under this Agreement except those set forth in Section 5.5 of this Agreement.
- If CLEC does not affirmatively state that it wishes to pursue a successor agreement with <u>SBC-13STATE</u> in its, as applicable, notice of expiration or termination or the written confirmation required after receipt of the SBC-owned ILEC's notice of expiration or termination, then the rates, terms and conditions of this Agreement shall continue in full force and effect until the later of 1) the expiration of the Term of this Agreement, or 2) the expiration of ninety (90) calendar days after the date CLEC provided or received notice of expiration or termination. If the Term of this Agreement has expired, on the ninety-first (91st) day following CLEC provided or received notice of expiration or termination, the Parties shall have no further obligations under this Agreement except those set forth in Section 5.5 of this Agreement.
- 5.10 In the event of termination of this Agreement pursuant to Section 5.9, <u>SBC-13STATE</u> and CLEC shall cooperate in good faith to effect an orderly transition of service under this Agreement; provided that CLEC shall be solely responsible (from a financial, operational and administrative standpoint) to ensure that its End Users have been transitioned to a new LEC by the expiration date or termination date of this Agreement.

6. END USER FRAUD

6.1 SBC-13STATE shall not be liable to CLEC for any fraud associated with CLEC's End User's account, including 1+ IntraLATA toll, ported numbers, and Alternate Billing Service (ABS). ABS is a service that allows End Users to bill calls to account(s) that might not be associated with the originating line. There are three types of ABS calls: calling card, collect, and third number billed calls.

- 6.2 The Parties agree to cooperate with one another to investigate, minimize, and take corrective action in cases of fraud involving 1+ IntraLATA toll calls, ABS, and ported numbers. The Parties' fraud minimization procedures are to be cost-effective and implemented so as not to unduly burden or harm one Party as compared to the other.
- 6.3 In cases of suspected fraudulent activity by an End User, at a minimum, the cooperation referenced in Section 6.2 will include providing to the other Party, upon request, information concerning Customers who terminate services to that Party without paying all outstanding charges. The Party seeking such information is responsible for securing the End User's permission to obtain such information.
- 6.4 <u>SBC-AMERITECH, SBC-SWBT, PACIFIC, SNET</u> will provide notification messages to CLEC on suspected occurrences of ABS-related fraud on CLEC accounts stored in the applicable LIDB. <u>PACIFIC</u> will provide such alert messages by e-mail. SBC-AMERITECH, SBC-SWBT and SNET will provide via fax.
 - 6.4.1 SBC-SWBT (on behalf of itself and SNET) and PACIFIC will use a Sleuth system to determine suspected occurrences of ABS-related fraud for CLEC using the same criteria SBC-SWBT and PACIFIC use to monitor fraud on their respective accounts.
 - 6.4.2 CLEC understands that Sleuth alerts only identify potential occurrences of fraud. CLEC understands and agrees that it will need to perform its own investigations to determine whether a fraud situation actually exists. CLEC understands and agrees that it will also need to determine what, if any, action CLEC should take as a result of a Sleuth alert.
 - 6.4.3 The Parties will provide contact names and numbers to each other for the exchange of Sleuth alert notification information twenty-four (24) hours per day seven (7) days per week.
 - 6.4.4 For each alert notification provided to CLEC, CLEC may request a corresponding thirty-day (30-day) historical report of ABS-related query processing. CLEC may request up to three reports per alert.
- 6.5 In <u>SBC-SWBT and PACIFIC</u> ABS-related alerts are provided to CLEC at no additional charge, except as related in 6.6 below.
 - 6.5.1 In <u>PACIFIC</u>, 1+ IntraLATA toll fraud alerts are offered for Resale only under the product name Traffic Alert Referral Service (TARS). For TARS, CLEC agrees to pay a recurring usage rate as outlined in Appendix Pricing.

- 6.6 Traffic Alert Referral Service ("TARS") 1+ Intra-LATA Toll Fraud Monitoring
 - 6.6.1 For terms and conditions for TARS, see Appendix Resale.
 - 6.6.2 TARS is offered in **PACIFIC** only.

7. ASSURANCE OF PAYMENT

- 7.1 Upon request by <u>SBC-13STATE</u>, CLEC will provide <u>SBC-13STATE</u> with adequate assurance of payment of amounts due (or to become due) to <u>SBC-13STATE</u>.
- 7.2 Assurance of payment may be requested by **SBC-12STATE** if:
 - 7.2.1 at the Effective Date CLEC had not already established satisfactory credit by having made at least twelve (12) consecutive months of timely payments to SBC-13STATE for charges incurred as a CLEC; or
 - 7.2.2 in SBC-12STATE's reasonable judgment, at the Effective Date or at any time thereafter, there has been an impairment of the established credit, financial health, or credit worthiness of CLEC. Such impairment will be determined from information available from financial sources, including but not limited to Moody's, Standard and Poor's, and the Wall Street Journal. Financial information about CLEC that may be considered includes, but is not limited to, investor warning briefs, rating downgrades, and articles discussing pending credit problems; or
 - 7.2.3 CLEC fails to timely pay a bill rendered to CLEC by <u>SBC-12STATE</u> (except such portion of a bill that is subject to a good faith, bona fide dispute and as to which CLEC has complied with all requirements set forth in Section 9.3); or
 - 7.2.4 CLEC admits its inability to pay its debts as such debts become due, has commenced a voluntary case (or has had an involuntary case commenced against it) under the U.S. Bankruptcy Code or any other law relating to insolvency, reorganization, winding-up, composition or adjustment of debts or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding.
- 7.3 Unless otherwise agreed by the Parties, the assurance of payment will, at <u>SBC-12STATE</u>'s option, consist of
 - 7.3.1 a cash security deposit in U.S. dollars held by **SBC-12STATE** ("Cash Deposit") or

- 7.3.2 an unconditional, irrevocable standby bank letter of credit from a financial institution acceptable to <u>SBC-12STATE</u> naming the SBC owned ILEC(s) designated by <u>SBC-12STATE</u> as the beneficiary(ies) thereof and otherwise in form and substance satisfactory to SBC-12STATE ("Letter of Credit").
- 7.3.3 The Cash Deposit or Letter of Credit must be in an amount equal to three (3) months anticipated charges (including, but not limited to, recurring, non-recurring and usage sensitive charges, termination charges and advance payments), as reasonably determined by SBC-12STATE, for the Interconnection, Resale Services, Network Elements, Collocation or any other functions, facilities, products or services to be furnished by SBC-12STATE under this Agreement.
 - 7.3.3.1 Notwithstanding anything else set forth in this Agreement, <u>SBC-AMERITECH</u> will not request assurance of payment of charges reasonably anticipated by <u>SBC-AMERITECH</u> to be incurred in Ohio in an amount that would exceed 230% of projected average monthly billing to CLEC.
 - 7.3.3.2 Notwithstanding anything else set forth in this Agreement, <u>SBC-SWBT</u> will not request assurance of payment of charges reasonably anticipated by <u>SBC-SWBT</u> to be incurred in Arkansas in an amount that would exceed one (1) month's projected bill for CLEC's initial market entry; provided, however, that after three (3) months of operation, <u>SBC-SWBT</u> may request assurance of payment of charges reasonably anticipated by <u>SBC-SWBT</u> to be incurred in Arkansas in an amount not to exceed two times projected average monthly billing to CLEC.
 - 7.3.3.3 Notwithstanding anything else set forth in this Agreement, <u>SBC-SWBT</u> will not request assurance of payment of charges reasonably anticipated by <u>SBC-SWBT</u> to be incurred in Oklahoma in an amount that would exceed two times projected average monthly billing to CLEC.
- 7.4 To the extent that <u>SBC-12STATE</u> elects to require a Cash Deposit, the Parties intend that the provision of such Cash Deposit shall constitute the grant of a security interest in the Cash Deposit pursuant to Article 9 of the Uniform Commercial Code in effect in any relevant jurisdiction.
- 7.5 A Cash Deposit will accrue interest at the rate of six percent (6%) simple interest per annum. Interest will accrue on a Cash Deposit from the day after it is received by SBC-12STATE through the day immediately prior to the date the Cash Deposit is credited to CLEC's bill(s) or returned to CLEC. SBC-12STATE will not pay interest on a Letter of Credit.

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- 7.6 SBC-12STATE may, but is not obligated to, draw on the Letter of Credit or the Cash Deposit, as applicable, upon the occurrence of any one of the following events:
 - 7.6.1 CLEC owes <u>SBC-12STATE</u> undisputed charges under this Agreement that are more than thirty (30) calendar days past due; or
 - 7.6.2 CLEC admits its inability to pay its debts as such debts become due, has commenced a voluntary case (or has had an involuntary case commenced against it) under the U.S. Bankruptcy Code or any other law relating to insolvency, reorganization, winding-up, composition or adjustment of debts or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding; or
 - 7.6.3 the expiration or termination of this Agreement.
- 7.7 If <u>SBC-12STATE</u> draws on the Letter of Credit or Cash Deposit, upon request by <u>SBC-12STATE</u>, CLEC will provide a replacement or supplemental letter of credit or cash deposit conforming to the requirements of Section 7.3.
- 7.8 Notwithstanding anything else set forth in this Agreement, if <u>SBC-12STATE</u> makes a request for assurance of payment in accordance with the terms of this Section, then <u>SBC-12STATE</u> shall have no obligation thereafter to perform under this Agreement until such time as CLEC has furnished <u>SBC-12STATE</u> with the assurance of payment requested; provided, however, that <u>SBC-12STATE</u> will permit CLEC a minimum of ten (10) Business Days to respond to a request for assurance of payment before invoking this Section.
 - 7.8.1 If CLEC fails to furnish the requested adequate assurance of payment on or before the date set forth in the request, <u>SBC-12STATE</u> may also invoke the provisions set forth in Section 9.5 through Section 9.7.
- 7.9 The fact that a Cash Deposit or Letter of Credit is requested by <u>SBC-12STATE</u> shall in no way relieve CLEC from timely compliance with all payment obligations under this Agreement (including, but not limited to, recurring, non-recurring and usage sensitive charges, termination charges and advance payments), nor does it constitute a waiver or modification of the terms of this Agreement pertaining to disconnection or re-entry for non-payment of any amounts required to be paid hereunder.
- 7.10 For adequate assurance of payment of amounts due (or to become due) to <u>SNET</u>, see the applicable DPUC ordered tariff.

8. BILLING AND PAYMENT OF CHARGES

8.1 Unless otherwise stated, each Party will render monthly bill(s) to the other for Interconnection, Resale Services, Network Elements, Collocation, functions,

facilities, products and services provided hereunder at the rates set forth in the applicable Appendix Pricing, as set forth in applicable tariffs or other documents specifically referenced herein and, as applicable, as agreed upon by the Parties or authorized by a Party.

- 8.1.1 Remittance in full of all bills rendered by <u>SBC-AMERITECH</u>, <u>SBC-SWBT</u> and <u>PACIFIC</u> is due within thirty (30) calendar days of each bill date (the "Bill Due Date"). Payment must be made in accordance with the terms set forth in Section 8.3 of this Agreement.
- 8.1.2 Remittance in full of all bills rendered by <u>NEVADA</u> is due in accordance with the terms set forth in the Commission C2-A Tariff, with the date on which amounts are due referred to herein as the "Bill Due Date."
- 8.1:3 Remittance in full of all bills rendered by <u>SNET</u> is due in accordance with the terms set forth in the Connecticut Access Service Tariff approved by the DPUC, with the date on which amounts are due referred to herein as the "Bill Due Date."
- 8.1.4 Remittance in full of all bills rendered by CLEC is due within thirty (30) calendar days of each bill date (the "Bill Due Date").
- 8.1.5 If CLEC fails to remit payment for any charges by the Bill Due Date, or if payment for any portion of the charges is received from CLEC after the Bill Due Date, or if payment for any portion of the charges is received in funds which are not immediately available to SBC-12STATE as of the Bill Due Date (individually and collectively, "Past Due"), then a late payment charge will be assessed as provided in Sections 8.1.5.1 through 8.1.5.3, as applicable.
 - 8.1.5.1 If any charge incurred under this Agreement that is billed out of any SBC-8STATE billing system other than the SBC-8STATE billing system other than the SBC-SWBT Customer Records Information System (CRIS) is Past Due, the unpaid amounts will accrue interest from the day following the Bill Due Date until paid at the lesser of (i) the rate used to compute the Late Payment Charge in the applicable SBC-8STATE intrastate access services tariff for that state and (ii) the highest rate of interest that may be charged under Applicable Law. The method and timing for application of interest to any charge incurred under this Agreement that is billed out of any SBC-8STATE billing system other than SBC-SWBT's CRIS will comply with the process set forth in the applicable SBC-8STATE intrastate access services tariff for that state.

- 8.1.5.2 If any charge incurred under this Agreement that is billed out of SBC-SWBT's CRIS is Past Due, the unpaid amounts will accrue interest from the day following the Bill Due Date until paid. The interest rate applied to SBC-SWBT CRIS-billed Past Due unpaid amounts will be the lesser of (i) the rate used to compute the Late Payment Charge contained in the applicable SBC-SWBT intrastate retail tariff governing Late Payment Charges to SBC-SWBT sretail End Users that are business End Users in that state and (ii) the highest rate of interest that may be charged under Applicable Law. The method and timing for application of interest to any charge incurred under this Agreement that is billed out of SBC-SWBT is CRIS will be governed by the SBC-SWBT intrastate retail tariff governing Late Payment Charges to SBC-SWBT is retail End Users that are business End Users in that state.
- 8.1.5.3 If any charge incurred under this Agreement that is billed out of any SBC-AMERITECH billing system is Past Due, the unpaid amounts will accrue interest from the Bill Due Date at the lesser of (i) one and one-half percent (1 1/2%) per month and (ii) the highest rate of interest that may be charged under Applicable Law, compounded daily from the day following the Bill Due Date to and including the date that the payment is actually made and available.
- 8.2 If any charge incurred by <u>SBC-13STATE</u> under this Agreement is Past Due, the unpaid amounts will accrue interest from the day following the Bill Due Date until paid. The interest rate applied will be the lesser of (i) the rate used to compute the Late Payment Charge contained in the applicable <u>SBC-13STATE</u> intrastate access services tariff for that state and (ii) the highest rate of interest that may be charged under Applicable Law, compounded daily from the Bill Due Date to and including the date that the payment is actually made and available.
- 8.3 CLEC shall make all payments to <u>SBC-12STATE</u> via electronic funds credit transfers through the Automated Clearing House Association (ACH) network to the financial institution designated by <u>SBC-12STATE</u>. Remittance information will be communicated together with the funds transfer via the ACH network. CLEC must use the CCD+ or the CTX transaction set. CLEC and <u>SBC-12STATE</u> will abide by the National Automated Clearing House Association (NACHA) Rules and Regulations. Each ACH credit transfer must be received by <u>SBC-12STATE</u> no later than the Bill Due Date of each bill or Late Payment Charges will apply. <u>SBC-12STATE</u> is not liable for any delays in receipt of funds or errors in entries caused by CLEC or Third Parties, including CLEC's financial institution. CLEC is responsible for its own banking fees.
 - 8.3.1 Processing of payments not made via electronic funds credit transfers through the ACH network may be delayed. CLEC is responsible for any Late

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Payment Charges resulting from CLEC's failure to use electronic funds credit transfers through the ACH network.

- 8.3.2 CLEC must make all payments to <u>SNET</u> in "immediately available funds."

 All payments to <u>SNET</u> must be made using one of the methods set forth in the Connecticut Access Service Tariff approved by the <u>DPUC</u> or via electronic funds credit transfers through the Automated Clearing House Association (ACH) network to the financial institution designated by <u>SNET</u>. If CLEC makes payment through funds transfer via the ACH network, remittance information will be communicated together with the funds transfer via the ACH network. If CLEC makes payment through funds transfer via the ACH network, CLEC must use the CCD+ or the CTX transaction set. CLEC and <u>SNET</u> will abide by the National Automated Clearing House Association (NACHA) Rules and Regulations. Each payment must be received by <u>SNET</u> no later than the Bill Due Date of each bill or Late Payment Charges will apply. <u>SNET</u> is not liable for any delays in receipt of funds or errors in entries caused by CLEC or Third Parties, including CLEC's financial institution. CLEC is responsible for its own banking fees.
- 8.4 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") must, prior to the Bill Due Date, give written notice to the Billing Party of the amounts it disputes ("Disputed Amounts") and include in such written notice the specific details and reasons for disputing each item listed in Section 10.4.1. On or before the Bill Due Date, the Non-Paying Party must pay (i) all undisputed amounts to the Billing Party, and (ii) all Disputed Amounts into an interest bearing escrow account with a Third Party escrow agent mutually agreed upon by the Parties. To be acceptable, the Third Party escrow agent must meet all of the following criteria:
 - 8.4.1 The financial institution proposed as the Third Party escrow agent must be located within the continental United States;
 - 8.4.2 The financial institution proposed as the Third Party escrow agent may not be an Affiliate of either Party; and
 - 8.4.3 The financial institution proposed as the Third Party escrow agent must be authorized to handle ACH (credit transactions) (electronic funds) transfers.
 - 8.4.4 In addition to the foregoing requirements for the Third Party escrow agent, the disputing Party and the financial institution proposed as the Third Party escrow agent must agree in writing furnished to the Billing Party that the escrow account will meet all of the following criteria:

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- 8.4.4.1 The escrow account must be an interest bearing account;
- 8.4.4.2 all charges associated with opening and maintaining the escrow account will be borne by the disputing Party;
- 8.4.4.3 that none of the funds deposited into the escrow account or the interest earned thereon may be used to pay the financial institution's charges for serving as the Third Party escrow agent;
- 8.4.4.4 all interest earned on deposits to the escrow account will be disbursed to the Parties in the same proportion as the principal; and
- 8.4.4.5 disbursements from the escrow account will be limited to those:
 - 8.4.4.5.1 authorized in writing by both the disputing Party and the Billing Party (that is, signature(s) from representative(s) of the disputing Party only are not sufficient to properly authorize any disbursement); or
 - 8.4.4.5.2 made in accordance with the final, non-appealable order of the arbitrator appointed pursuant to the provisions of Section 10.7; or
 - 8.4.4.5.3 made in accordance with the final, non-appealable order of the court that had jurisdiction to enter the arbitrator's award pursuant to Section 10.7.
- 8.5 Disputed Amounts in escrow will be subject to Late Payment Charges as set forth in Section 8.1.5.
- 8.6 Issues related to Disputed Amounts shall be resolved in accordance with the procedures identified in the Dispute Resolution provisions set forth in Section 10.
- 8.7 If the Non-Paying Party disputes any charges and any portion of the dispute is resolved in favor of such Non-Paying Party, the Parties will cooperate to ensure that all of the following actions are completed:
 - 8.7.1 the Billing Party will credit the invoice of the Non-Paying Party for that portion of the Disputed Amounts resolved in favor of the Non-Paying Party, together with any Late Payment Charges assessed with respect thereto no later than the second Bill Due Date after resolution of the dispute;
 - 8.7.1 within ten (10) Business Days after resolution of the dispute, the portion of the escrowed Disputed Amounts resolved in favor of the Non-Paying Party will be released to the Non-Paying Party, together with any interest accrued thereon;

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- 8.7.2 within ten (10) Business Days after resolution of the dispute, the portion of the escrowed Disputed Amounts resolved in favor of the Billing Party will be released to the Billing Party, together with any interest accrued thereon; and
- 8.7.3 no later than the third Bill Due Date after the resolution of the dispute, the Non-Paying Party will pay the Billing Party the difference between the amount of accrued interest the Billing Party received from the escrow disbursement and the amount of Late Payment Charges the Billing Party is entitled to receive pursuant to Section 8.1.5.
- 8.8 If the Non-Paying Party disputes any charges and the entire dispute is resolved in favor of the Billing Party, the Parties will cooperate to ensure that all of the actions required by Section 8.7.3 and Section 8.7.4 are completed within the times specified therein.
 - 8.8.1 Failure by the Non-Paying Party to pay any charges determined to be owed to the Billing Party within the time specified in Section 8.7 shall be grounds for termination of the Interconnection, Resale Services, Network Elements, Collocation, functions, facilities, products and services provided under this Agreement.
- 8.9 If either Party requests one or more additional copies of a bill, the requesting Party will pay the Billing Party a reasonable fee for each additional copy, unless such copy was requested due to failure in delivery of the original bill or correction(s) to the original bill.
- 8.9.1 Each additional copy of any bill provided for billing from <u>SBC-SWBT</u>'s CABS billing system will incur charges as specified in Access Service Tariff FCC No. 73 Section 13 Alternate Bill Media.
- 8.9.2 Bills provided to CLEC from <u>SBC-SWBT</u>'s CRIS system through Bill Plus will incur charges as specified in Appendix Pricing.

8.10 Exchange of Billing Message Information

8.10.1 SBC-13 STATE will provide CLEC a specific Daily Usage File ("DUF" or "Usage Extract") for Resale Services and Network Element usage sensitive services provided hereunder ("Customer Usage Data"). Such Customer Usage Data will be provided by SBC-13STATE in accordance with Exchange Message Interface (EMI) guidelines supported by OBF. Any exceptions to the supported formats will be noted in the DUF implementation requirements documentation for each SBC owned ILEC. The DUF will